

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

MUSKET CORPORATION,

Plaintiff,

- against -

PDVSA PETROLEO, S.A., a/k/a PDVSA  
PETROLEO Y GAS, S.A., and ADVANCED  
ENGINEERING DEVELOPMENT LTD.,

Defendants.

Civil Action No.  
06 CV 15522 (VM)

**REPLY AFFIDAVIT IN  
SUPPORT OF MOTION  
TO CONFIRM ORDER  
OF ATTACHMENT**

STATE OF OKLAHOMA     )  
                                      : ss.:  
COUNTY OF OKLAHOMA    )

BETTY PROUDFOOT, being duly sworn, deposes and says:

1. I am employed by plaintiff Musket Corporation ("plaintiff" or "Musket") and make this affidavit in support of its motion to confirm the Attachment Order entered on December 28, 2006. I am fully familiar with the facts and circumstances stated below.

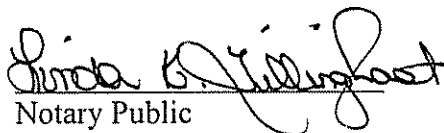
2. I have reviewed the Declaration of Maria Gabriela Silva dated February 2, 2007, submitted by defendant PDVSA in opposition to Musket's motion. In that Declaration, at paragraph 20, Ms. Silva states that, on December 19, 2006, she and I had a telephone conversation in which I told her that PDVSA could collect the balance due on its invoice (approximately \$1.5 million) from the letter of credit we had established in PDVSA's favor on this transaction. I deny that I made any such statement, whether on that date or at any time. I also note that the emails which Ms. Silva refers to in that part of her Declaration (Exhibits 58, 59 and 60) do not set forth or refer to any such promise or statement on my part.

3. I informed Ms. Silva quite clearly that Musket was responsible for paying the amount that it was invoiced pursuant to its contract with Advanced Engineering and that it would not pay any further sums. Under no circumstances would Musket permit PDVSA to draw down on the LOC with respect to amounts allegedly owed by Intrakam. Musket posted the LOC solely to guaranty its own obligations.

WHEREFORE, plaintiff respectfully requests that the Court confirm the Attachment Order.

  
Betty Proudfoot

Sworn to before me this  
1st day of March, 2007

  
Notary Public



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